

# US may seek to block Google-AdMob purchase: WSJ

April 7 2010

---



The US Federal Trade Commission (FTC) may seek to block Google's purchase of mobile telephone advertising company AdMob on anti-trust grounds, The Wall Street Journal reported Wednesday.

The US Federal Trade Commission (FTC) may seek to block Google's purchase of mobile telephone advertising company AdMob on anti-trust grounds, The Wall Street Journal reported Wednesday.

The newspaper, citing "people familiar with the matter," said the FTC "appears to be laying the groundwork" for an anti-trust challenge to the 750-million-dollar acquisition announced in November.

The report comes a day after Senator Herb Kohl, a Democrat from Wisconsin, urged FTC chairman Jonathan Leibowitz to give "close scrutiny" to the takeover, which he said "raises important competition

issues."

"The stakes are very high in protecting a fully competitive market in this increasingly important sector of the high tech economy," said Kohl, chairman of the Senate Subcommittee on Antitrust, Competition Policy and Consumer Rights.

"Ensuring a vibrant and competitive mobile device [advertising](#) marketplace should be a top priority for the FTC as it considers this deal," Kohl said.

Two consumer groups, Consumer Watchdog and the Center for Digital Democracy, urged the FTC in December to block the takeover on anti-trust grounds and said the deal also raises privacy concerns.

The Wall Street Journal said the FTC has assembled an internal litigation team to prepare for a possible effort to block the acquisition and asked [AdMob](#) competitors for statements on the potential impact of the purchase.

The newspaper said the FTC "hasn't made a final decision to try to halt the AdMob deal," however, and has been meeting with [Google](#) lawyers to try to reach an agreement that assuages the commission.

A Google spokesman defended the proposed acquisition to the Journal, saying "there is overwhelming evidence that mobile advertising will remain competitive after this deal closes."

Google, which has previously drawn scrutiny from US [antitrust regulators](#), hopes AdMob will help it more effectively extend its lucrative Internet advertising domain into the booming world of mobile devices.

Last year, Google was forced to revise its legal settlement with authors and publishers over its digital book-scanning project amid objections from the US Justice Department.

Google was also forced to abandon a proposed advertising agreement with Yahoo! amid Justice Department anti-trust concerns.

AdMob was founded in 2006 by Omar Hamoui as a California technology startup focused on building tools that let Web advertisers follow potential customers onto mobile devices.

AdMob has an established display advertising network for smartphones, particularly Apple iPhone devices that have been a global hit.

(c) 2010 AFP

Citation: US may seek to block Google-AdMob purchase: WSJ (2010, April 7) retrieved 20 April 2024 from <https://phys.org/news/2010-04-block-google-admob-wsj.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.